

# Businesses Supporting Local Talent

*Engaging Businesses in  
Degree Attainment Collaboratives*

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## About FSG

FSG is a mission-driven consulting firm supporting leaders in creating large-scale, lasting social change. Through strategy, evaluation, and research we help many types of actors—individually and collectively—make progress against the world’s toughest problems.

Our teams work across all sectors by partnering with leading foundations, businesses, nonprofits, and governments in every region of the globe. We seek to reimagine social change by identifying ways to maximize the impact of existing resources, amplifying the work of others to help advance knowledge and practice, and inspiring change agents around the world to achieve greater impact.

As part of our nonprofit mission, FSG also directly supports learning communities, such as the Collective Impact Forum and the Shared Value Initiative, to provide the tools and relationships that change agents need to be successful.

Learn more about FSG at [www.fsg.org](http://www.fsg.org).

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## About Lumina Foundation

Lumina Foundation is an independent, private foundation committed to increasing the proportion of Americans with degrees, certificates, and other high-quality credentials to 60 percent by 2025. Lumina’s outcomes-based approach focuses on helping to design and build an equitable, accessible, responsive, and accountable higher education system while fostering a national sense of urgency for action to achieve Goal 2025.

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# INTRODUCTION

Lumina Foundation's (Lumina) mission is to expand access and success in education beyond high school, particularly among adults, first-generation students, low-income students, and students of color. Lumina sees a unique opportunity to leverage the role of cities and communities to increase the proportion of Americans with high-quality postsecondary degrees and credentials to 60 percent by the year 2025. To realize this opportunity, Lumina has invested in **place-based, collaborative efforts focused on degree attainment** in cities and regions across the country through programs such as the Community Partnership for Attainment (CPA) and the Lumina Latino Student Success Effort. As the foundation implements its new strategic plan, it is interested in understanding how it can more effectively engage businesses to achieve its broader goal of increasing the proportion of Americans with high-quality degrees.

With this in mind, Lumina partnered with FSG, a nonprofit consulting firm with significant experience in supporting collaborative efforts, to conduct research on best practices and insights related to how collaborative efforts can most effectively engage businesses. Please note that this research brief uses the term "collaborative efforts" throughout to refer to those efforts that convene a cross-sector group of organizations using a structured collaborative approach with the primary objective of increasing degree attainment among students in the local community or region.

# THE BUSINESS ENGAGEMENT IMPERATIVE

**Most degree attainment collaborative efforts can benefit from effective engagement with local businesses.** While the exact set of partners depends on the unique needs, capacities, and goals of each effort as well as the history and culture of the local community or region, all efforts need to build strong partnerships with the full range of organizations that can help address the challenge of poor degree attainment outcomes. Just like foundations, city governments, community colleges, and nonprofits, businesses are part of the broader education system and should be seen as part of the work. They bring important perspectives, relationships, and expertise, and many of them have a vested interest in a competitive regional economy and a healthy local education system that provides them with the skilled professionals they need.

Businesses play many different roles in the community, and their participation in collaborative efforts brings new resources, perspectives, and solutions to the table.

**As community leaders,** business leaders provide access to key networks and help elevate the visibility of a collaborative effort, unlocking financial and human resources.

**As employers,** they bring important assets and expertise (e.g., systems and processes, awareness building, mentorship, policy, and advocacy) that can help provide new employees with the skills and competencies to succeed, and they retain current employees by connecting them to degrees that fulfill personal and professional development needs as well as shifting business needs.

**As community members,** local businesses are made up of people who care deeply about the future of their community and can invest in issues, such as postsecondary education, that play an important role in strengthening regional prosperity and competitiveness.

**As advisers,** business leaders can help support collaborative efforts to become more efficient and effective (e.g., Six Sigma and Continuous Quality Improvement strategies) and ensure that degree curricula meet the needs of the local job market.

*"Engaging business is not a nice-to-have. Business needs to be involved. If they didn't have business at the table, how would they ensure that the students they are trying to help have a career when they graduate?"*

— Emi Donis, Precision Castparts Corporation (business partner of All Hands Raised Portland)

*"We are often surprised at the lack of business engagement in college attainment efforts. To us, there is no way to solve a complex problem such as education from the social sector alone, because business plays a critical role in success of this system."*

— John Burnett, Community Education Coalition, and Jack Hess, Institute of Coalition Building and Community Education Coalition

*"The talent in our region is a determining factor to compete with other regions. Places where big ideas come from are usually those with high concentrations of educated people."*

— Regional chamber of commerce executive

**There is an economic imperative for businesses to engage in degree attainment.** Four out of five jobs lost during the recent economic recession required a high school education or less.<sup>1</sup> These low-skill jobs are largely gone for good, replaced by jobs that require specialized training and skills.<sup>2</sup> This means that more than ever, students need to complete some type of degree beyond high school to succeed. The Georgetown Center on Education and Workforce estimates that by 2020, two-thirds of all jobs will require postsecondary education.<sup>3</sup> However, at only 42 percent of the population, the United States currently ranks 13th among developed countries in college attainment rates for young adults.<sup>4</sup>

It is therefore not surprising that many companies find it difficult to access a skilled workforce. There is a particularly acute need for talent in the high-growth, high-demand fields of science, technology, health care, and engineering, which often require more education and training than a high school diploma but less than a four-year college degree (i.e., middle-skill jobs). Discussions with chambers of commerce and business leaders highlighted an untapped opportunity for businesses to play a more active role in developing and managing their regional talent pipeline to meet current and future human capital needs. Businesses struggle to attract the talent they need, and the incentives they provide current employees (e.g., tuition reimbursement) go under-utilized.<sup>5</sup>

**Given the economic importance of degree attainment for local and national prosperity, philanthropy is actively addressing the issue through investing in collaboration, programs, policy, and advocacy.** Lumina's Goal 2025 (i.e., 60 percent of Americans obtain a high-quality postsecondary degree or credential by 2025) has been a rallying cry for both education and business sectors. Lumina and others have invested hundreds of millions of dollars to ensure that students are completing these degrees on time.

1 Lumina Foundation website (2016), Facts and Figures. <https://www.luminafoundation.org/facts-and-figures> (accessed July 28th, 2016).

2 Ibid.

3 Ibid.

4 Ibid.

5 Committee for Economic Development (2015). *Role of Business in Promoting Educational Attainment: A National Imperative*.

Although progress is being made and some businesses are effectively supporting increased degree attainment in their communities, much more can be done to utilize businesses' assets and capabilities.<sup>6</sup> **Collaborative efforts across the country continue to express difficulties engaging with local businesses, which can be explained by a potential disconnect between the business and education sectors.** While educators frame their goals around increasing degree completion focusing on four-year and two-year degrees, businesses talk about attracting and retaining a skilled and efficient workforce with the education and credentials (e.g., associate's degrees and certificates) required to succeed in their company. Both sectors are focused on the same thing—creating local talent—but they talk about it and go about it in completely different ways.

**Collaborative efforts are well-positioned to bridge this disconnect between education and business.** While not the only solution, collaborative efforts have a unique ability to provide a structured platform for collective dialogue, strategy development, and decision-making that can help break down silos and bring businesses and education institutions together. To date, most businesses have traditionally only been engaged as community benefactors, sponsoring collaborative efforts by providing funding or sitting on an executive committee. While this brings in important financial resources and lends credibility to the effort, it represents only one potential way that businesses could partner with a collaborative effort and does not fully maximize business resources.

**The goals of educators and business are inextricably linked and require joint action for mutual benefit.** As Jamie Merisotis, Lumina Foundation's president, mentioned in a Huffington Post blog: "There are 2 million unfilled jobs across America, and employers are increasingly taking matters in their own hands to fill them."<sup>7</sup> Collaborative efforts have the opportunity to partner with businesses and increase their reach and impact. For these partnerships to be successful, collaborative efforts need an intentional strategy that formulates a clear value proposition based on the business motivation for engagement.

*"The business culture, mindset, and vocabulary are different than education."*

— Mark Levett, Cummins Inc. (business partner of Community Education Coalition)

*"When you look at the next generation of effective philanthropy [...] it is supporting those initiatives that truly integrate cradle to career education with employment opportunities."*

— John Kania, FSG

*"Having education and business leaders at the same table is really paying off [...] they recognized they have not worked together well in the past, and they are talking about how they can work better together moving forward."*

— Nate Waas Shull, All Hands Raised Portland

6 Kim Fortunato (2015). "When and How to Engage the Private Sector in Collective Impact." Collective Impact Forum Blog.

7 Jamie Merisotis (2016). *America's Talent Gap: Five Areas of Focus*. The Huffington Post.

# A STRATEGIC APPROACH FOR BUSINESS ENGAGEMENT

Collaborative efforts face challenges in determining what roles businesses can play to support their work and developing a clear rationale for why a particular business would benefit from engaging in the effort. **When collaborative efforts wish to develop a business engagement strategy, they should examine the following four questions:**

- **WHAT?** What does the collaborative need from businesses?
- **WHO?** Who should collaborative efforts seek to engage?
- **WHY?** Why should businesses participate?
- **HOW?** How can businesses effectively participate?

This brief addresses each of these questions below.

## **WHAT Does the Collaborative Need from Businesses?**

**Collaborative efforts often pursue businesses with the hopes of obtaining financial support and sometimes do not fully examine other roles businesses might play.** To engage businesses most effectively, it is important that the effort think critically about the different roles businesses can play and how these roles align with the effort's needs. Based on our research and FSG's experience engaging with businesses that are partnering with collaborative efforts, we identified the following roles businesses can play in collaborative work (Table 1).



TABLE 1. ROLES BUSINESSES CAN PLAY IN COLLABORATIVE EFFORTS

<p><b>1. COLLABORATIVE INFRASTRUCTURE SUPPORTERS</b></p>	<ul style="list-style-type: none"> <li>• Provide funds to support the collaborative infrastructure or backbone organization</li> <li>• Offer employees or leaders the opportunity to serve on steering committee or work group(s)</li> </ul>
<p><b>2. CONVENERS</b></p>	<ul style="list-style-type: none"> <li>• Use their connections, relationships, and business acumen to move the work of the collaborative forward (e.g., executives provide critical introductions and leadership)</li> </ul>
<p><b>3. STRATEGIC PARTNERS</b></p>	<ul style="list-style-type: none"> <li>• Partner on implementing work group strategies, especially on workforce development</li> <li>• Align business practices with the effort's strategies (e.g., through core business activities related to production/services, employment, or wages/benefits)</li> <li>• Provide workforce and industry data to inform strategy development</li> </ul>
<p><b>4. CONSULTANTS</b></p>	<ul style="list-style-type: none"> <li>• Lend specific technical expertise (e.g., offer assistance on human centered design / consumer research)</li> <li>• Provide capacity for shared measurement and continuous improvement activities</li> </ul>
<p><b>5. COMMUNITY ADVOCATES</b></p>	<ul style="list-style-type: none"> <li>• Engage with local, state, or federal government agencies to change policies in support of increased college attainment</li> <li>• Apply for funding from local, state, or federal government agencies to implement new programs, particularly on workforce development</li> <li>• Advocate for education in chamber of commerce meetings and other gatherings</li> </ul>
<p><b>6. EDUCATORS</b></p>	<ul style="list-style-type: none"> <li>• Provide internships and apprenticeships</li> <li>• Inform curriculum development for careers related to their industry</li> <li>• Invest in employees' talent development (e.g., tuition reimbursement, certifications in-house education)</li> </ul>
<p><b>7. EMPLOYERS</b></p>	<ul style="list-style-type: none"> <li>• Conduct career fairs for students participating in programs related to the collaborative effort</li> <li>• Offer internships to students in careers related to their industry</li> </ul>
<p><b>8. DONORS</b></p>	<ul style="list-style-type: none"> <li>• Offer in-kind donations to support community engagement activities (e.g., space to meet, gift cards or refreshments for focus groups)</li> <li>• Provide grants/support to nonprofits in alignment with the effort's strategy</li> </ul>

## WHO Should Collaborative Efforts Seek to Engage?

**Which businesses collaborative efforts might consider for partnership depends on the efforts' unique context.** Given that every community has a unique history, demographic makeup, assets, culture, and political landscape, it is important for collaborative efforts to reflect on their overall business landscape, the major challenges that businesses face, and the various ways businesses are currently engaging in education efforts and talent development work (either unilaterally or with higher education institutions). It is also important to get a sense of potential business partner interests in participating in a more collaborative, cross-sector approach. Collaborative effort leaders can ask a series of strategic questions to begin to get an initial picture (Table 2).

TABLE 2. BUSINESS PARTNER DIAGNOSTIC TOOL

<p><b>BUSINESS LANDSCAPE</b></p>	<ul style="list-style-type: none"> <li>• Who are the major businesses in our community or region?</li> <li>• Who are the key business leaders?</li> <li>• Are any business leaders in our region particularly interested in education or college attainment?</li> </ul>
<p><b>BUSINESS CHALLENGES</b></p>	<ul style="list-style-type: none"> <li>• What are overall challenges in our business landscape?</li> <li>• What are the main talent gaps in the community and how are businesses currently affected?</li> <li>• To what extent and how are businesses currently involved in solving our community's talent gap?</li> </ul>
<p><b>BUSINESS ENGAGEMENT</b></p>	<ul style="list-style-type: none"> <li>• Where along the education pipeline have businesses demonstrated the most interest in investing and collaborating?</li> <li>• How are businesses currently engaging, if at all, in degree attainment and workforce development?</li> <li>• Do we currently have strong business leadership at the table? Why or why not?</li> </ul>
<p><b>ROLES BUSINESSES CAN PLAY IN THE COLLABORATIVE EFFORT</b></p>	<ul style="list-style-type: none"> <li>• In what ways do we think businesses can support our collaborative effort?</li> <li>• What are our needs?</li> <li>• What assets do we have as a backbone to engage with businesses?</li> </ul>

## WHY Should Businesses Participate?

**It is hard to engage businesses without fully understanding why they are motivated to participate in a collaborative effort.** Therefore, it is important to invest time up front to consider why a particular business might be interested in supporting the work.

Our research identified three reasons why businesses would be motivated to engage in a collaborative effort:

- 1. Build brand and reputation.** Businesses want to increase customer acquisition and loyalty by demonstrating support of local students' development and access to degree attainment.
- 2. Support the local economy.** Businesses want to contribute to the development of a prosperous regional economy by improving degree attainment, which will strengthen the local workforce and increase local purchasing power.
- 3. Develop a talent pipeline.** Businesses want to develop a strong regional talent pipeline that produces the skills their business and industry require.

Business motivations are not mutually exclusive, which means that a business might have multiple motivations for engaging with the collaborative effort.

**Collaborative efforts should tailor expectations for how a business may participate based on what motivates the business in the first place.** For example, if businesses are interested in developing a talent pipeline, they may be willing to invest in the collaborative infrastructure, lead a workgroup focused on talent development, or provide workforce data to help the effort tailor its programs to business needs. If businesses are only looking to improve their brand and reputation, they might limit their engagement to providing a donation to a scholarship program or providing opportunities for employees to volunteer in programs related to degree attainment.

*“Developing a talent pipeline has to be demand driven. If employers don’t feel the pain on their bottom line and see a problem in their current talent pipeline, business leadership won’t be as willing to engage deeply and long-term.”*

— Peter Beard, Greater Houston Partnership, UpSkill Houston

## HOW Can Businesses Effectively Participate?

**Through our research, we explored how to create a business proposition for each of the motivations above.** Understanding a business’s motivation can help a collaborative effort take a more strategic approach, ensuring that the partnership is strongly tailored to the needs of both the business and the collaborative. The following section describes how collaboratives can tailor their engagement strategies with businesses.

### BUILD BRAND AND REPUTATION

**Businesses are important community actors.** Business employees and leaders are often passionate about improving the higher education outcomes of students in their local community or region. They see value in demonstrating their commitment to the local community to improve their reputation, strengthen their brand, and increase customer acquisition and loyalty. Collaborative efforts can leverage this by highlighting both the prestige of the effort and the potential for positive impacts on business brand or reputation (Table 3).

TABLE 3. BUILD BRAND AND REPUTATION: STRATEGIES FOR ENGAGEMENT

WHO TO ENGAGE?	HOW TO ENGAGE?
<p><b>TYPES OF BUSINESSES</b></p> <ul style="list-style-type: none"> <li>Primarily larger or medium-size businesses focused on brand and reputation; not necessarily reliant on local talent or suffering from talent gaps (e.g., national bank, cellular telephone company, regional superstore)</li> <li>New businesses trying to increase their visibility in the community (e.g., new cable company, new restaurant chain in town)</li> </ul> <p><b>KEY STAFF</b></p> <ul style="list-style-type: none"> <li>Executive leadership (CEO, VP)</li> <li>Corporate foundation leadership</li> <li>Communications</li> <li>Marketing</li> </ul>	<ul style="list-style-type: none"> <li><b>Build and maintain relationships</b> with executive leadership to ensure the collaborative effort is visible to key decision-makers and relevant staff (e.g., HR)</li> <li><b>Make the business case by:</b> <ul style="list-style-type: none"> <li>Emphasizing the effort’s reputation in the community (e.g., highlight media appearances or endorsements by local or national leaders)</li> <li>Signaling brand and reputation gains for the business (e.g., number of people who participate in events or number of students participating in the effort’s programs)</li> <li>Highlighting diversity of organizations involved and high-level visibility with key community organizations and potential consumers (e.g., parents, teachers)</li> </ul> </li> <li><b>Continue to engage</b> executive or foundation leadership in effort’s board; keep informed of progress and impact</li> <li><b>Provide ongoing opportunities</b> for executive leadership to network with other community leaders</li> </ul>

## CASE EXAMPLE: SANTA ANA ¡ADELANTE!

Santa Ana ¡Adelante! is a collaborative effort led by Santa Ana College (SAC). SAC has established the ambitious goal of having all high school students graduate college-ready and enroll in postsecondary institutions, as well as increasing the number of students that participate in the ¡Adelante! program to improve local students' outcomes. The Promise Pathway Program fully funds freshman-year tuition as well as guaranteed admission for all Santa Ana high school students to earn a certificate or degree in local colleges and universities.

The ambitious goal has helped the effort garner significant attention from a variety of organizations and has attracted millions of dollars in funding from outside organizations, including local and national businesses that want to benefit from the program's media attention. Santa Ana ¡Adelante! attributes its success engaging with businesses and external organizations to the following key aspects of its strategy:

- 1. Show results.** The history of success measured at both the student level and the policy level is a distinction of the Santa Ana Partnership that is extremely attractive to donors and business partners that want to be positively associated with transformation and success.
- 2. Leverage the program's national reputation.** The collaborative's success has garnered substantial attention and has been portrayed extensively in national and local media. This has led large and small businesses in the area to proactively ask how to engage with the effort.
- 3. Demonstrate the benefits of collaboration.** The effort gave businesses the opportunity to partner in a community-level coordinated plan for degree attainment in the region. Businesses prefer to invest in a high-functioning coalition of nonprofits, business, education institutions, and philanthropic organizations instead of supporting potentially duplicative programs that later have to be coordinated.
- 4. Engage like-minded companies.** The effort emphasizes building strong relationships with senior business leaders in the Latino community who are passionate about strong higher education outcomes.

*“Our partnership is well known and we have an ambitious goal ...business sees the visibility and reputational gains as most important.”*

— Sara Lundquist, Santa Ana College, Santa Ana ¡Adelante!

## SUPPORT LOCAL ECONOMY

**Businesses have a vested interest in contributing resources and expertise to ensuring a prosperous local and regional economy.**<sup>8</sup> A recent Harvard Business School study survey of business leaders identified education as the most effective remedy to many of the factors holding back local and regional economic prosperity, including inequality, poverty, and limited economic mobility.<sup>9</sup> A prosperous economy creates an environment more conducive to business growth and helps attract and retain staff over the long term. Being part of the conversation on how to improve higher education for their community can be an attractive way for businesses to support the local economy (Table 4).

TABLE 4. SUPPORT LOCAL ECONOMY: STRATEGIES FOR ENGAGEMENT

WHO TO ENGAGE?	HOW TO ENGAGE?
<p><b>TYPES OF BUSINESS PARTNERS</b></p> <ul style="list-style-type: none"> <li>Primarily medium-size and large businesses with strong local footprint and likely affected by local economic dynamics (e.g., national and locally based retail and insurance companies, companies with corporate headquarters in the area, chambers of commerce, economic development agencies)</li> </ul> <p><b>KEY STAFF</b></p> <ul style="list-style-type: none"> <li>Executive leadership (CEO, VP, Strategy Officers)</li> <li>Corporate social responsibility (CSR) and governance leadership</li> <li>Communications</li> <li>Human resources (focus on volunteering and consulting opportunities for staff and leadership)</li> </ul>	<ul style="list-style-type: none"> <li><b>Build and maintain relationships</b> with executive leadership, strategy officers, and CSR leadership</li> <li><b>Make the business case by:</b> <ul style="list-style-type: none"> <li>Effectively linking the effort's work on degree attainment to improving the local economy</li> <li>Highlighting the effort's goal and accomplishments so business can see the opportunity for supporting a program that is demonstrating impact</li> <li>Clearly presenting the business opportunity to contribute to regional economic prosperity</li> </ul> </li> <li><b>Continue to engage</b> executive or CSR leadership on effort's board; keep informed of progress</li> <li><b>Provide ongoing opportunities</b> for businesses to broker strong relationships with institutions of higher education partners</li> </ul>

<sup>8</sup> Carmen Rojas (2015). *What Works! Engaging the Public, Private, and Philanthropic Sectors to Create Effective Workforce Systems*. Living Cities.

<sup>9</sup> Allen Grossman and Ann Lombard (2016). "Engaging the Business Community in Collective Impact." Collective Impact Forum Blog.

## CASE EXAMPLE: 55,000 DEGREES

55,000 Degrees is a cross-sector, public-private partnership in Louisville, Kentucky. The seeds of the effort were planted in 2003, when a group of funders commissioned a benchmark study that compared Louisville against 15 peer cities. One of the findings of most concern in the study was low education attainment, where the city ranked in the bottom tier. Annual progress reports after the study continued to show low college attainment in the region. In order to change this unacceptable outcome, the City of Louisville created the Mayor's Education Roundtable in 2008, a group of leaders from the city, higher education institutions, civic society, and businesses looking to increase degree attainment in the region.

The Mayor's Education Roundtable established the ambitious goal of **increasing the proportion of Jefferson County (which includes Louisville) working-age residents that hold an associate or bachelor's degree from approximately 33 percent to 50 percent by 2020**, and after six months of working to develop key objectives and strategies, launched 55,000 Degrees. In its most recent 2014 progress report, 55,000 Degrees noted that Jefferson County's attainment rate had increased to nearly 42 percent. Three key components of its business engagement strategy have partly contributed to these impressive results:

- 1. Set strategy and report back often.** Each year, 55,000 Degrees shares actionable data with business and education leaders on degree attainment outcomes. Since 2015, the effort has also provided important data related to degree attainment and regional economic development (e.g., earnings, workforce development trends).
- 2. Focus on equity.** The effort's focus on equity has resonated with business leaders. Businesses see value in diversifying their workforce and know that supporting the local economy necessitates targeting the barriers that lead to poverty among under-represented groups in the community.
- 3. Provide tangible solutions that positively influence the business and the local economy.** Business leaders want to see practical solutions and how their business fits into that solution. With support from Lumina Foundation, 55,000 Degrees developed a program together with Greater Louisville Inc., the local chamber of commerce. This program, Degrees Work, partners with business leaders, especially human resources staff, to provide best practices on how to make accessing credentials easier for their employees and more cost-effective for the business. With sustaining support from Lumina, the program is now administrated by KentuckianaWorks, the local workforce development board and a 55,000 Degrees partner.

*“We [Humana] are a top employer in the community, so it makes sense for us to be invested in this effort [55,000 Degrees] to ensure a dynamic local economy, in which we can attract the talent to the region...we need strong partners to achieve this and 55,000 Degrees provides the forum for that.”*

— Roger Cude, Humana, Business Partner of 55,000 Degrees

*“We grew out of an economic development orientation—degree attainment was connected to the need for broader economic improvement from the very beginning.”*

— Mary Gwen Wheeler, 55,000 Degrees

## DEVELOP AND MANAGE THE TALENT PIPELINE

**More and more businesses are realizing that developing and managing the talent they need requires collaboration with a range of different sectors,**

including other businesses, government, education, nonprofits, and the community (e.g., parents, teachers, and students). Whether it is attracting new talent through leading experiential learning programs, teaming with educators to ensure key skills are being taught in the classroom, or partnering with workforce development training providers, businesses are motivated to take on a deeper level of engagement when they perceive an opportunity to address the core business need of talent development.<sup>10</sup> Businesses motivated to develop and manage the talent pipeline are actively seeking a tangible return on investment by addressing a core business need (Table 5).

*“Developing the pipeline for talent is directly connected to their core business— this is why businesses would support a collaborative effort around degree attainment.” — Fay Hanleybrown, FSG*

TABLE 5. DEVELOP AND MANAGE THE TALENT PIPELINE: STRATEGIES FOR ENGAGEMENT

WHO TO ENGAGE?	HOW TO ENGAGE?
<p><b>TYPES OF BUSINESS PARTNERS</b></p> <ul style="list-style-type: none"> <li>• Businesses of any size that rely on local talent pool and face current talent gaps (e.g., businesses in middle-skill industries such as nursing, manufacturing)</li> </ul> <p><b>KEY STAFF</b></p> <ul style="list-style-type: none"> <li>• Executive leadership (CEO, VP, Strategy Officers)</li> <li>• Operation managers</li> <li>• Human resources (focus on developing and managing robust talent pipeline)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Build and maintain relationships</b> with executive leadership, strategy officers, and HR.</li> <li>• <b>Make the business case by:</b> <ul style="list-style-type: none"> <li>• Identifying potential partners who are grappling with workforce needs and face current talent gaps in the region</li> <li>• Leveraging current partners already participating in the effort to start making connections with others in the industry</li> <li>• Utilizing current business forums where different stakeholders might already be meeting (e.g., chambers of commerce or workforce investment boards)</li> <li>• Developing a strategy for talent development to show potential to bring partners together to improve the talent pipeline</li> <li>• Bringing data and evidence to the current talent gaps in the region</li> <li>• Demonstrating the costs of current talent gaps on the business or its broader industry/sector</li> <li>• Highlighting the potential benefits from improved productivity and decreased hiring costs due to an improved talent pipeline</li> </ul> </li> <li>• <b>Continue to engage</b> executive leadership on the effort’s board while also engaging HR and other relevant staff in working groups, specific workforce development programs, or as ad hoc advisors on talent development issues; keep informed of progress</li> <li>• <b>Provide ongoing opportunities</b> for business to broker strong relationships with institutions of higher education and other community partners working on developing the talent pipeline (e.g., chambers of commerce, workforce investment boards, economic development divisions, city government, etc.)</li> </ul>

10 College Summit and Citi Foundation (2015). *Business Engagement in Education: Key Partners for Student Success*.



## CASE EXAMPLE: UPSKILL HOUSTON

Led by resurgence in energy, petrochemicals, manufacturing, life sciences, and construction, the Houston region's economy has been widely acclaimed as a great place to do business. Amid this momentum, leaders from across the business community identified one of the region's most pressing issues as talent development and matching talent supply with talent demand.

In 2013, the Greater Houston Partnership, a collaborative forum of business leaders, launched the Regional Workforce Development Task Force to develop UpSkill Houston, a cross-sector effort focused on talent development and degree attainment. The task force, co-chaired by JPMorgan Chase and Shell, convened a group of 79 representatives from industry, education, and social services to collaborate and produce a solution to the talent gaps in Houston.<sup>11</sup> The task force decided to focus on the gap in middle-skills jobs because of the urgency of the issue for businesses and the sheer need in the Houston area. Of Houston's 3.6 million jobs, 1.4 million are considered middle-skill.<sup>12</sup> This represents 41 percent of all jobs in the Houston region.<sup>13</sup> Three key success factors have helped UpSkill Houston garner significant attention from the business sector:

- 1. Significant data analysis was commissioned early on** to better understand the talent gaps and galvanize stakeholders to address the issue. This analysis and subsequent meetings helped the effort clearly identify specific industries (e.g., petrochemical, construction, etc.) where talent gaps existed and articulate the causes of these gaps (e.g., lack of awareness of the need, poor coordination between
- 2. The effort is driven by industry leaders**, such as ExxonMobil, GE, KBR, and Shell, that saw a problem and recognized a need to work in a collaborative way to address it.
- 3. Partners leveraged existing business forums.** The effort worked closely with local manufacturers and industry associations that were highly respected by the business community and where different businesses already had strong relationships.

In conclusion, collaborative efforts can benefit from reflecting deeply on the specific motivations of their current and potential business partners. Understanding what motivates potential business partners can help efforts develop a more strategic and intentional approach to the partnership. The next section provides some key lessons for business engagement that FSG learned through our conversations with leaders in the field.

*“The Greater Houston region has 90 petrochemical companies with the same talent pipeline challenges. It is critical to bring data on the issue, share it, and build strong relationships so that businesses see it as a common problem that they can solve together.”*

— Peter Beard, Greater Houston Partnership, UpSkill Houston

11 Greater Houston Partnership (2014). *UpSkill Houston Workforce Development Action Plan*.

12 Greater Houston Partnership Regional Workforce Development Task Force (2014). *Addressing Houston's Middle Skills Jobs Challenge*.

13 Ibid.

# KEY LESSONS FOR BUSINESS ENAGEMENT

Through our research we found the following key lessons for collaborative efforts looking to engage businesses in their work:

**Reframe the opportunity.** Engaging with businesses can be challenging because of differences in how education and businesses frame the opportunity and how the two sectors define what they are seeking to achieve. Particularly when engaging businesses that are motivated to see real improvements in their talent pipeline, it is important that collaborative efforts frame their work as both driving degree completion and attracting, developing, and retaining talent.

**Understand the regional economy.** To craft a compelling case for business involvement, collaborative efforts should invest time in understanding the regional economy and building collective awareness of the major talent gaps. For example, businesses involved in the Community Education Coalition collaborative effort in Indiana recognized that there was no way they could address the workforce challenge as individual businesses. They therefore worked with the collaborative effort to invest in research to understand the relevant sectors and occupations where the talent gaps were most pernicious, and used this information as a springboard for further conversations and dialogue across the business and education sectors.

**Bring concrete solutions and set clear expectations.** Businesses often struggle with how to engage given the sheer complexity of the higher education system. They know that they are not getting the talent they need but are unsure of where to start. The more efforts can bring tangible programs or activities to the table, rather than just high-level ambitions, the better. Establishing clear processes for how the work will get done, as well as agreeing on expectations, is important.

**Engage with business-education connectors.** Chambers of commerce, workforce investment boards (WIBs), and other organizations that convene businesses can bridge the education and business sectors by providing employment data, labor market research, and helping make the business case for investing in education. They are often well-known and well-respected by the business community.

More and more chambers of commerce are hiring specific degree-attainment-focused staff with a mandate to bring data to the challenges regarding talent pipeline development and broker partnerships between education and business. Some chambers of commerce have even taken on the role of the backbone in the collaborative effort. For example, the St. Louis Regional Chamber of Commerce has played an active role in the development of St. Louis Graduates!, a degree-attainment-focused effort.

**Identify and partner with community champions that bring strong relationships with the business sector.**

Just as chambers of commerce help collaborative efforts bridge education and business, so do individual community leaders. Engaging leaders who are well respected within business circles can help build credibility and open doors to additional leaders in the community. These champions can also help build new relationships when there are leadership transitions in companies.

*"For a collaborative effort to be successful at engaging local businesses, it needs to understand local workforce needs and the challenges faced in accessing high-quality talent."*

— Susan Johnson, Lumina Foundation

*"The articulation of a potential solution is what is needed for companies to dive in. They want to know what it will take, in terms of time and resources."*

— Mick Fleming, American Chamber of Commerce Executives (ACCE)

*"It's really about relationships—getting people in the same room to see that they have a common problem that affects both education and business."*

— Collective Impact expert, FSG

*"We have seen great success when chambers of commerce step up to contribute to community efforts focused on common attainment goals. Chambers can navigate between business and education sectors, and drive programming that improves talent development and alignment."*

— Haley Glover, Lumina Foundation

*"These collaborations are very relationship-oriented. At key transitions in leadership, like when a CEO moves on, you have to rebuild those relationships."*

— Nate Waas Shull, All Hands Raised Portland

# APPENDICES

## A. Methodology

The findings reported in this brief are based on both primary and secondary research and analysis. FSG conducted interviews with 22 individuals including experts in the social sector, Lumina and FSG staff, businesses, chambers of commerce, and collaborative effort practitioners. FSG used a semi-structured interview approach and analyzed the data using a qualitative interview software coding program (NVivo). Lastly, FSG conducted a literature review of relevant Lumina documents, key articles, reports, and blogs (e.g., Collective Impact Forum, *Stanford Social Innovation Review*, Wallace Foundation, Living Cities, and *Harvard Business Review*). Please see Appendix B for a full list of secondary resources reviewed.

The following questions guided the research:

- How are current collaborative efforts around the country engaging businesses? What roles are they playing, and to what effect?
- What are particularly effective ways that collaborative efforts can engage local funders?

## B. References

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